

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

)
Amendment of Section 73.658(g) of the
Commission's Rules – The Dual Network Rule)

MM Docket No. 00-108

REPLY COMMENTS OF VIACOM INC.

Viacom Inc. ("Viacom") hereby submits its reply comments in response to the Commission's *Notice of Proposed Rulemaking* ("NPRM") in the above-captioned proceeding.¹ For the reasons set forth herein and in its opening comments, Viacom strongly supports the Commission's proposal to modify the "dual network" rule, 47 C.F.R. § 73.658(g), by "eliminating the portion of the rule that precludes the ownership of the UPN or WB television networks by the ABC, NBC, CBS, or Fox television networks."²

In its Report in the 1998 Biennial Review proceeding,³ the Commission "made a preliminary determination that the current [dual network] rule . . . may no longer serve the public interest" and that "neither competition nor diversity issues appeared to warrant

¹ *In the Matter of Amendment of Section 73.658(g) of the Commission's Rules – The Dual Network Rule, Notice of Proposed Rulemaking*, MM Docket No. 00-108, FCC 00-213 (rel. June 20, 2000) ("NPRM").

² NPRM at ¶ 1.

³ *In the Matter of 1998 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, Biennial Review Report*, MM Docket No. 98-35 (rel. June 20, 2000).

retention of the rule in its current form.”⁴ Without exception, the comments filed in this proceeding concur with the Commission’s tentative conclusion and support modification of the dual network rule as proposed in the *NPRM*. Even UPN’s principal competitors – the WB Television Network, Fox, and Paxson – agree that the rule is obsolete and counterproductive.⁵ Further, the commenters, including the UPN Affiliates Association, individual affiliate licensees, and the Minority Media and Telecommunications Council (“MMTC”), recognize that relaxation of the rule is necessary to ensure the long-term viability of these emerging networks in today’s fiercely competitive video industry.⁶

The record in this proceeding demonstrates without contradiction that repeal of the “weblet” restriction will in fact advance significant public interest objectives. Such public interest benefits cited by commenters include:

- encouraging programming diversity (including minority-themed and niche programming);⁷
- provision of employment and advancement opportunities for minority actors, producers, directors, and other broadcast industry professionals;⁸

⁴ *NPRM* at ¶¶ 1, 5.

⁵ See generally *WB Comments*; *Fox Comments*; *Paxson Comments*.

⁶ See generally *UPN Affiliates Comments*; *MMTC Comments*; Letter from Paul Karpowicz, Vice President, LIN Television to Magalie Roman Salas, dated Aug. 28, 2000 (“Karpowicz Letter”); Letter from Caroline K. Powley, Owner/General Manager, WNGS-TV to Magalie Roman Salas, dated Aug. 9, 2000 (“Powley Letter”); Letter from David A. Hanna, President, Lockwood Broadcast Group, to Magalie Roman Salas, dated August 3, 2000 (“Hanna Letter”); Letter from George E. DeVault, Jr., President, Holston Valley Broadcasting Corporation to Magalie Roman Salas, dated Aug. 3, 2000.

⁷ See *Viacom Comments* at 29-34; *WB Comments* at 9; *MMTC Comments* at 2-4; *UPN Affiliates Comments* at 3-4.

⁸ See *MMTC Comments* at 5; *UPN Affiliates Comments* at 3-4.

- creation of efficiencies and economies of scale that strengthen emerging networks;⁹
- provision of high-quality programming by emerging networks and their affiliates;¹⁰
- provision of a recognized brand or identity promoted locally by each affiliate and nationally by each network;¹¹ and
- investment in emerging and new over-the-air television networks.¹²

Finally, as the Commission noted in the *NPRM*, these benefits may be realized without incurring any significant countervailing “downside.”¹³

⁹ See *Viacom Comments* at 36-37. The WB “fully agrees that [economic efficiencies and other] substantial benefits can flow from a combination or strategic alliance between an emerging network like UPN or The WB and an established network.” See *WB Comments* at 17. See also *id.* at 15-17; *Fox Comments* at 8; *Paxson Comments* at 2, 3, 5.

¹⁰ See *Viacom Comments* at 24-28, 37; *UPN Affiliates Comments* at 1-4.

¹¹ See *UPN Affiliates Comments* at 2; Hanna Letter at 1.

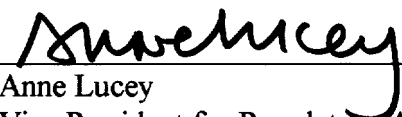
¹² See *Viacom Comments* at 42-47; *Paxson Comments* at 2-3; *Fox Comments* at 7-9; *WB Comments* at 12-14.

¹³ See *NPRM* at ¶¶ 9, 19. See also *Viacom Comments* at 47-49.

For these reasons, the Commission should act with dispatch to modify the dual network rule as it proposed in the *NPRM*.

Respectfully submitted,

VIACOM INC.

By: 
Anne Lucey
Vice President for Regulatory Affairs
1501 M Street, NW, Suite 1100
Washington, DC 20005
(202) 785-7300

Richard E. Wiley
Lawrence W. Secrest
Marjorie J. Dickman
of
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, DC 20006
(202) 719-7000
Its Attorneys

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